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DOS review completed

EUROPE

1. CZECHOSLOVAKIA: Benes not to resign at present -- US

Ambassador Steinhardt has been told

that Benes

has no desire to leave Czechoslovakia at this time even if his "escape" could be arranged. Benes told source that:
(a) he had no intention of resigning the presidency "for the present"; and (b) the Communists are moving "much too fast" and the Czechoslovak people cannot be held "in bondage" for more than two years. Source added that Benes' views reflected the prevalent opinion in Prague that the future of democracy in Czechoslovakia depends entirely upon US-Soviet relations.

2. GERMANY: Plebiscite on German unity—The Department of State concurs with US Ambassador Murphy's view that the western powers can best minimize the effectiveness of a plebiscite on German unity(proposed by the Soviet—sponsored Peoples' Congress) by not interfering with it and by conducting a publicity campaign to reveal the plebiscite as a Communist maneuver. Murphy believes that the Peoples' Congress promises to be the most successful Communist "popular front" move in Germany up to the present time and that its appeal to German nationalist sentiments is likely to attract considerable support even in the Western Zones.

(CIA Comment: CIA believes that the proposed plebiscite will be a major reinforcement of the Communist "unity" propaganda line and will be much more effective in western Germany than the previous Communist efforts.)

MEAR EAST-AFRICA

3. IRAQ: Unrest reported at all-time high—US Ambassador Wadsworth, characterizing the internal situation in Iraq as "seriously disturbing," reports that politico-social unrest is at an all-time high. Wadsworth indicates that reliable

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POP SECRET

reports of extensive crop fellures have accentrated existing unrest over the bread shortage, soaring food prices (now it a new high), market imedivity, and unemployment. He adds that recent strikes and agitation suggest the possibility that "a well-directed subversive force has been feeling out its strength in anticipation of an all-out effort."

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